

## Internal Revenue Service

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Washington, DC 20224

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Person To Contact:  
, ID No.

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Date:  
June 14, 2021

### Legend

Taxpayer	=
Decedent	=
Trust	=
Date 1	=
Date 2	=
Date 3	=
Date 4	=
Date 5	=
State A	=
Custodian	=
Roth IRA X	=

Dear :

This is in response to your letter dated November 23, 2020, and subsequent correspondence dated April 12, 2021, submitted on your behalf by your authorized representative, in which you request rulings under sections 408 and 408A of the Internal Revenue Code.

The following facts and representations have been submitted under penalties of perjury in support of the rulings requested:

Taxpayer established Trust on Date 1 and appointed Taxpayer and Decedent as trustees. Taxpayer executed a first amendment to Trust on Date 2, a second amendment to Trust on Date 3, and a third amendment to Trust on Date 4. Under the

terms of Trust, Taxpayer retained the right to amend or revoke Trust in whole or in part at any time during Taxpayer's lifetime. Pursuant to Article I of Trust, during Taxpayer's lifetime, the trustee shall pay to Taxpayer such sums from principal as Taxpayer may request at any time. Furthermore, Taxpayer is entitled to all income of Trust.

Decedent was married to Taxpayer until his death on Date 5. Upon Decedent's death, Taxpayer became the sole trustee of Trust. Decedent was a resident of State A. Taxpayer is also a resident of State A.

At the time of his death, Decedent maintained Roth IRA X, a Roth individual retirement account (Roth IRA), with Custodian. The sole beneficiary of Roth IRA X is Trust.

Taxpayer intends to request the distribution of the assets of Roth IRA X to Taxpayer as sole beneficiary of Trust pursuant to Article I of Trust and roll over the distribution to one or more Roth IRAs in Taxpayer's sole name.

Based on the facts and representations, the following rulings were requested:

1. Taxpayer is eligible to roll over the Roth IRA distribution into one or more Roth IRAs established and maintained in Taxpayer's own name pursuant to section 408(d)(3)(A)(i).
2. Taxpayer will not be required to include in gross income for federal tax purposes, for the year in which the distribution from the Roth IRA is made, any portion of the proceeds distributed from the Roth IRA which are timely rolled over to one or more Roth IRAs established and maintained in Taxpayer's own name.
3. Beginning with the year following the year in which Taxpayer rolls over the proceeds of Decedent's Roth IRA, Taxpayer will not be required to take required minimum distributions from Taxpayer's Roth IRA pursuant to section 408A(c)(4)(A).

With respect to your ruling requests, section 408(d)(1) provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72.

Section 408(d)(3) provides that section 408(d)(1) does not apply to a rollover contribution if such contribution satisfies the requirements of sections 408(d)(3)(A) and (d)(3)(B).

Section 408(d)(3)(A) provides that section 408(d)(1) does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the account is maintained if: (i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60th day after the day on

which he receives the payment or distribution; or (ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the one-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in his gross income because of the application of section 408(d)(3).

Section 408(d)(3)(C)(i) provides, in pertinent part, that, in the case of an inherited IRA, section 408(d)(3) shall not apply to any amount received by an individual from such account (and no amount transferred from such account to another IRA shall be excluded from gross income by reason of such transfer), and such inherited account shall not be treated as an IRA for purposes of determining whether any other amount is a rollover contribution.

Section 408(d)(3)(C)(ii) provides that an IRA shall be treated as inherited if the individual for whose benefit the account is maintained acquired such account by reason of the death of another individual, and such individual was not the surviving spouse of such other individual.

Section 408A(a) provides that, except as provided in such section, a Roth IRA shall be treated for tax purposes in the same manner as an individual retirement plan. Section 7701(a)(37) defines an "individual retirement plan" as an individual retirement account described in section 408(a) or an individual retirement annuity described in section 408(b).

Section 408A(c)(4)(A) provides that, notwithstanding 408(a)(6) and 408(b)(3) (relating to required distributions), the required minimum distribution rules of section 401(a)(9)(A) shall not apply to any Roth IRA.

Section 408A(c)(5)(A) provides that no rollover contribution may be made to a Roth IRA unless it is a qualified rollover contribution.

Section 408A(e)(1) provides, in part, that the term "qualified rollover contribution" includes a rollover contribution to a Roth IRA from another such account.

In the present case, upon Decedent's death the Roth IRA passed to Trust. Under the terms of Trust, Taxpayer, as trustee and sole beneficiary of Trust, is entitled to receive all the assets held by Trust. For purposes of applying section 408(d)(3)(A) to the Roth IRA, Taxpayer is effectively the individual for whose benefit the Roth IRA is maintained.

As such, Taxpayer is entitled to roll over the Roth IRA assets held in Trust into one or more Roth IRAs established and maintained in her name. Pursuant to section 408A(c)(4)(A), beginning with the year following the year in which Taxpayer rolls over the proceeds of Decedent's Roth IRA, Taxpayer will not be required to take required minimum distributions from Taxpayer's Roth IRA during her lifetime.

Therefore, with respect to your ruling requests we conclude that:

1. Taxpayer is eligible to roll over the Roth IRA distribution into one or more Roth IRAs established and maintained in Taxpayer's own name pursuant to section 408(d)(3)(A)(i), provided that the rollover occurs no later than the 60th day following the day the proceeds of the Roth IRA are distributed to Taxpayer from Trust.
2. To the extent a distribution from the Roth IRA constitutes a qualified distribution under section 408A(d)(2) or is timely rolled over pursuant to section 408(d)(3) to one or more Roth IRAs established and maintained in Taxpayer's own name, Taxpayer will not be required to include in gross income for federal income tax purposes, for the year in which the distribution from the Roth IRA is made, the proceeds distributed from the Roth IRA.
3. Beginning with the year following the year in which Taxpayer rolls over the proceeds of Decedent's Roth IRA, Taxpayer will not be required to take required minimum distributions from Taxpayer's Roth IRA during her lifetime pursuant to section 408A(c)(4)(A).

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party, as specified in Rev. Proc. 2021-1, 2021-1 I.R.B. 1, § 7.01(16)(b). This office has not verified any of the material submitted in support of the request for ruling, and such material is subject to verification on examination. The Associate office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts; the facts at the time of the transaction are materially different from the controlling facts on which the ruling was based; or, in the case of a transaction involving a continuing action or series of actions, the controlling facts change during the course of the transaction. See Rev. Proc. 2021-1, § 11.05.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter ruling

This letter ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Neil Sandhu  
Senior Technician Reviewer  
Qualified Plans Branch 1  
Office of Associate Chief Counsel  
(Employee Benefits, Exempt Organizations,  
and Employment Taxes)

cc: